incorporates several provisions to ensure transparency and cut down delays in the procurement process. Some of these provisions include the following:—

(i) Making Qualitative Requirements more broad based so as to avoid single vendor situations.

(ii) Open tendering for commercially off-the-shelf (COTS) items.

(iii) Direct Offsets and Integrity Pact as part of the Request for Proposal (RFP) for purchases over Rs. 300 crores.

(iv) Standard Contract terms upfront as part of the RFP.

(v) Joint Services Qualitative Requirements for equipment common to the three Services.

(vi) More objective evaluation criteria in line with the suggestion of the Ministry of Finance be incorporating Discounted Cash Flow and Exchange Rate Variation techniques.

(vii) Incorporation of appropriate guidelines of CVC and inputs from C&AG in the new procedure.

(viii) Broad timeframe for completion of different procurement activities.

An offset clause has been included in the DPP-2005, which requires foreign suppliers to provide 30% offset for all capital acquisitions of value above Rs. 300 crore.

(e) Budgetary allocation for Capital acquisition in respect of Armed Forces for 2005-06 is Rs. 31456.94 crore and expenditure booked upto 30th June, 2005 is Rs. 1713.13 crore. The expenditure likely to be incurred during remaining part of 2005-06 would depend upon the completion of identified milestones by the vendors with whom contracts have been entered into and fructifying of new acquisition proposals.

Modernisation of Navy

†1000. SHRI MANGANI LAL MANDAL: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that an apprehension is gaining ground about

†Original notice of the question was received in Hindi.

adverse effect on the capabilities of Navy due to inordinate delay in expected decision to be taken by the Defence Ministry on various subjects pertaining to modernisation of Navy and as a result of which dissatisfaction has also spread in the Navy;

(b) whether it is also a fact that the purchase process is to be gone through in all the cases of modernization which are under consideration since 2001 and still pending due to indecisiveness; and

(c) if so, the details of above two parts?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) to (c) Procurement of defence items is a highly complex process. It is also a continuous process and is influenced by the threat perception and international security environment on the basis of which modernization plans of the three services are worked out. It is ensured that the capabilities of Armed Forces are not adversely affected.

Important acquisition proposals of the Navy are also processed on priority and as expeditiously as possible following the Defence Procurement Procedure. Some complex cases do take more time to fructify because of the highly sophisticated nature of the proposals and the large investments involved in these acquisitions.

Ahluwalia Committee Report on IAF accidents

1001. SHRI DARA SINGH: Will the Minister of DEFENCE be pleased to state:

(a) whether an Expert Committee, headed by Air Marshal Ahluwalia, set up in December, 2004 to identify causes of accidents in IAF, has submitted its report to Government;

(b) if so, what are the findings/recommendations made by the Committee in respect of MIG-21 which constitutes 70 per cent of the IAF's total fleet;

(c) whether it is a fact that Pilot error is the cause of 50 per cent of the IAF's accidents, a bigger killer than technical defects; and

(d) if so, the details of suggestions the Committee has made towards training of Pilots besides other deficiencies in design or equipment?